

REQUEST FOR PROPOSALS

To Redevelop



The Historic Dupont Trolley Station

Issued by:

The Government of the District of Columbia
Office of the Deputy Mayor for Planning and Economic Development
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Responses due by: June 3, 2010

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1. INTRODUCTION

Great urban destinations consist of diverse populations, commercial activity, varied accommodations for visitors, pedestrian-oriented activities, retail within short walking distances, distinctive public spaces, and ubiquitous mass transit. To realize this vision, the Government of the District of Columbia (“District”) makes properties available for development in order to assist in achieving these goals and improving the quality of life for District of Columbia residents and visitors.

With this vision and these goals in mind, the District, through the Office of the Deputy Mayor for Planning and Economic Development (“DMPED”), is pleased to issue this Request for Proposals (“RFP”) inviting qualified development teams (“Offerors”) to propose their vision and plan for redeveloping the historic Dupont Trolley Station located underneath the Dupont Circle (“Project”).

DMPED, through this RFP, intends to identify Offerors with whom to enter into negotiations for the lease, in accordance with DC Law 1-4 allowing the Mayor to lease the Site, and development of either the entire Site (i.e., the East platform, West platform and associated tunnels) or one particular side of the Site (i.e., the East platform and associated tunnels). No more than 2 Offerors will be selected.

Development teams with experience in planning, financing, building, and operating small to medium scale mixed-use, commercial, or retail use development projects and experience in working with community stakeholders are strongly encouraged to respond to this RFP.

DMPED expects that the selected Offeror(s) will fully engage local residents and other stakeholders during the process of redeveloping the Dupont Trolley Station. DMPED also expects that the Offeror will commit to the District’s policy goals of creating contracting and investment opportunities for local, small, and disadvantaged businesses, and jobs for District residents.

The Offeror should consider planning and revitalization initiatives that could be relevant to the project and the local area. These include the Creative DC Action Agenda and the Retail Action Strategy (available at www.planning.dc.gov), which together seek to stimulate creative uses, support the creative economy, and facilitate vital commercial areas. Other city programs for consideration include the Green Collar Jobs initiative, Healthy by Design and Green DC.

The District seeks a creative, yet sustainable use that will turn this vacant property into a destination for District residents. DMPED encourages Offerors to identify alternative, non-District sources of funding that could be used to fill any funding gaps as the District is not prepared to offer subsidy or financial assistance.

Offers submitted in response to this RFP must comply with all of the requirements set forth herein.

Responses to this RFP are due by Thursday June 3, 2010 at 3:00 p.m. Eastern Standard Time. Responses received after this deadline will not be considered by the District.

2. SITE OVERVIEW

2.1. Site History

According to Historic Dupont Circle Main Streets, the underground trolley station at Dupont Circle was begun in early 1948 as a solution to the congested vehicular and trolley traffic fighting for surface space around the popular Dupont Circle. The trolleys would share the ramps in and out of the tunnel, but were diverted to the east and west

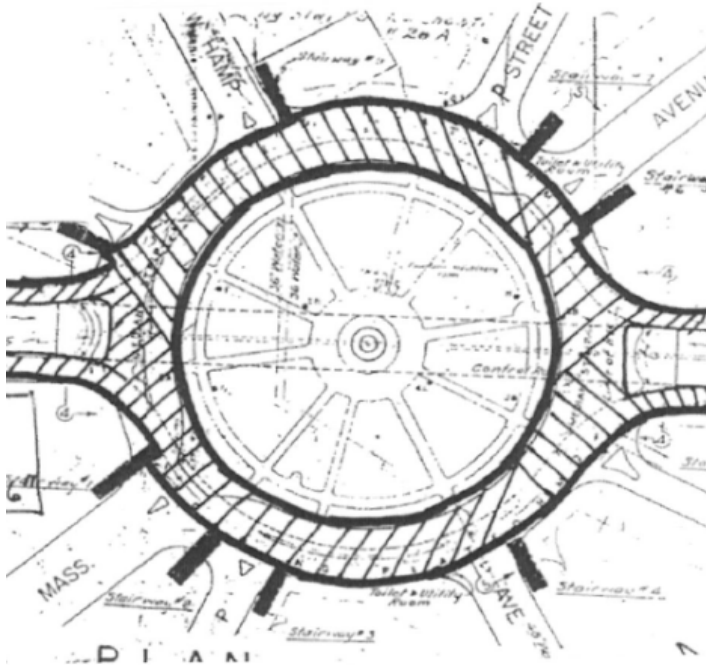
once underground to small rounded platform stations to discharge and take on passengers who entered the station from stairways.

Workers celebrated the entrance of the first trolley car through the tunnel at 5:23 am on November 2, 1949. The underpass was officially open on May 16, 1950 with a vintage automobile passing under the Circle.

During the Cold War era, the underpass was chosen as an ideal Site for a fallout shelter, and as such, it was sealed off in August of 1964 and stocked with food and supplies for area residents. Only 25 years after it opened, however, due to the construction of the Dupont Metro station, the underpass was abandoned in 1975.

The station went unused for many years. In 1995, developer Geary Simon leased the space with plans to open a subterranean complex including a health club, greengrocer and food court. The food court was the first component of Simon's vision to be developed and operated for less than one year before closing. The space went unused for the next 14 years.

2.2. Site Context



The Dupont Trolley Station ("Site") is located in Ward 2 in Northwest Washington, DC, directly underneath the public space around Dupont Circle. The location of the Site in the Dupont Circle neighborhood is considered positive because of its history and the unique mix of residential, office, retail, and institutional land uses in the area. Dupont Circle represents the "living downtown" that city planners are trying to create in parts of the Central Business District (CBD) by mandating residential development as part of

commercial development. The unique characteristics of the Site, including its history, fit well into this neighborhood.

2.3. Site Description

The Site consists of concrete tunnels with the floor of the tunnels being approximately 15 to 20 feet below the surface of the roads which run around Dupont Circle and Connecticut Avenue. The walls are tiled and the property itself is generally clean but with significant remnants of the old food court including shells of the various food kiosks as well as minimal amounts of construction materials. The District of Columbia keeps it secure and routinely visits the Site to ensure its security and safety.

There is no above ground parking associated with the Site. The tunnel system consists of a station area on both the east and west side (hereafter referred to as the “East platform”, the “West platform” or “platforms”, collectively) of Dupont Circle and narrower tunnels (hereafter referred to as “trolley tubes”) which are connected to both the south and north sides of each platform. Each platform is located directly under the lanes of the roadway which runs around Dupont Circle; the circular road is the overlapping of all roads which intersect at Dupont Circle. East platform is curved and is approximately 500 feet long and 27 feet wide. The gross floor area in each station is approximately 13,420 square feet, for a combined East and West platform area of 26,840 square feet.

The trolley tubes, approximately 18 feet wide, run from each platform area in a north and south direction underneath Connecticut Avenue before being sealed where the trolley tracks had risen to street level. One trolley tube had served the northbound line and the other the southbound line. The trolley tubes run approximately 700 feet north of Dupont Circle and 300 feet south of Dupont Circle before being sealed. One can walk through the tunnels from one platform to the other because the northbound and southbound trolley tubes intersect at the point where they are sealed both north and south of Dupont Circle. Since each platform is approximately 500 feet long, and the trolley tubes run 700 feet north and 300 feet south of Dupont Circle, the total distances around the tunnel system, starting at the south end of the East platform, can be estimated as follows: 500 feet north in East platform; 700 feet north in trolley tube to the point where the tube is sealed north of Dupont Circle; 700 feet south to West platform; 500 feet south in West platform; 300 feet south in trolley tube to the point where the tube is sealed south of Dupont Circle; and 300 feet north to the point of beginning in the south end of East platform. The estimated total distance around the tunnel system is approximately 3,000 linear feet or a little more than one half (0.5) mile.

Layouts and other relevant information are included in a separate Appendix to this RFP.

2.4. Access and Service

When walking through the trolley tubes, one can hear traffic in the Connecticut Avenue automobile underpass, and there is at least one emergency exit door which leads from the trolley tubes into the underpass on each side of Connecticut Avenue.

The trolleys used to operate on electricity which ran underneath the floor in the center of the station area and trolley tubes. The conduits are still evident in the center of the floor

area and we assume that any electrical wiring in those conduits will have to be replaced due to age.

West Station Entrances/Exits

In the west station area, there is a restroom/utility room with a sink and toilet which the station master for the trolley station used, so there is at least minor plumbing available. During our inspection, we observed thick electric cables running along the top located nearby include 1350 Connecticut Avenue (208,000 sf) and 1330 Connecticut Avenue (220,000 sf). If this stairwell were open, it would be very close to the “Dupont Circle South” entrance/exit of the Dupont Circle Metrorail Station.

A stairwell is located on the east side of New Hampshire Avenue on the south side of Dupont Circle. Office buildings located nearby include the 21 Dupont Circle (43,200 sf), 1333 New Hampshire Avenue (309,000 sf), and 1 Dupont Circle (200,000 sf). This stairwell has a steep ramp occupying half of the stairwell.

A stairwell is located on the south side of P Street, on the west side of Dupont Circle. Metal hand railings run down the middle of the stairs. The stairwell is located adjacent to the CVS Drug Store and is also located near the office buildings with the address 1 Dupont Circle (200,000 sf) and 2000 P Street (45,000 sf).

A stairwell is located adjacent to the U.S. Reservation No. 59, a small triangular space located west of the circle between P Street and Massachusetts Avenue. The landscaped reservation is managed by the National Park Service, National Capital Region, and includes a small building which used to be a watchman’s lodge and now has public restrooms. The tip of the reservation was transferred to the District of Columbia in May 1932 for highway purposes, and it is in this area that the stairwell is located.

A stairwell is located on the east side of Massachusetts Avenue on the north side of Dupont Circle, adjacent to the 2-story old Riggs Bank Building.

East Station Entrances/Exits

A stairwell is located on the west side of 19th Street, on the north side of Dupont Circle. A hotel is located across 19th Street. This stairwell has a steep ramp occupying half of the stairwell.

A stairwell is located on the south side of New Hampshire Avenue, on the east side of Dupont Circle. A hotel is located across New Hampshire Avenue, and the stairwell is located adjacent to the 11 Dupont Circle office building (140,000 sf).

A stairwell is located adjacent to U.S. Reservation Number 61, a small piece of land shaped like a half-circle between P Street and Massachusetts Avenue east of the circle. The entrance is semi-hidden by shrubs. This reservation was transferred to the District of Columbia in May 1932 for highway purposes, but we understand that it is managed by the National Park Service. Of all the stairwells, this is perhaps the most attractive at the present time. The stairwell has a steep ramp occupying half of the stairwell.

A stairwell is located on the west side of Massachusetts Avenue, on the south side of Dupont Circle. The stairwell is located near a one-story building which is part of the building at 1369 Connecticut Avenue.

Water and Sewer

At the present time, the only known water and sewer service extended to the subject property consists of that piping extended to the small restroom in the station area. According to the D.C. Department of Public Works, there is no problem with water and sewer capacity in the area with respect to a variety of possible uses for the tunnels. There is a 12-inch water main that runs around the circumference of Dupont Circle and the subject property would probably have to connect to that for additional water service. There is a 15-inch sewer line which runs near Dupont Circle and the subject property would probably have to connect to that line for additional sewer service.

One of the problems with having below ground development is the possibility of having an old water main burst, with water leaking into the tunnels. The water mains which run through the Dupont Circle area are at least 40 years old and some are far older. Several years ago, a water main burst along L Street and caused extensive flooding of businesses, including those at street level as well as below level. We have assumed that the risk of flooding has no negative impact on market value, although it would be wise for any user of the subject tunnels to purchase insurance that would specifically cover lost business receipts in the event of such a calamity.

Other Utilities

Electrical service has been extended to the property in the past, because the trolley system operated by electricity and the station areas had lights. Potomac Electric Power Company would provide electric service. If natural gas was needed, it would be provided by Washington Gas Company. Telephone service would be provided by C&P Telephone Company. It is the sole responsibility of the developer to verify utility services.

Covenants, Easements and Restrictions

No covenants or restriction were identified which have an adverse influence on the use of the subject property. We are also unaware of any adverse utility easements influencing the value of the property. A 37-inch water main and a 36-inch sewer main run directly across Dupont Circle, and we assume that these mains pass directly above the subject property. We did not identify any easement for the telephone company cable which was observed during the property inspection but the presence of the cable does not appear to have an adverse influence on the use and value of the property.

2.5. Zoning, planning and permitting

The Site is currently zoned C-3-C. Additional information on Zoning Districts can be found at <http://dcoz.dc.gov/info/districts.shtm>.

The development plan must be consistent with the goals and priorities outlined in the District Elements of the Comprehensive Plan for the National Capital.

It is the Offeror's responsibility to confirm all permitting and zoning requirements, laws, and regulations prior to submission. It is recommended that the Offeror confirms the zoning designation through a zoning certification from the District's Office of Zoning.

Any changes to the above-ground access points would require approval from the Historic Preservation Review Board.

For all inquiries concerning planning, zoning or historic preservation, please contact the following:

Jennifer Steingasser, AICP
Deputy Director, Development Review and Historic Preservation
DC Office of Planning
2000 14th Street, NW, 4th Floor Washington DC 20009
(o) 202-442-7600
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Jennnifer.Steingasser@dc.gov
<http://planning.dc.gov>

David Maloney
State Historic Preservation Officer
DC Office of Planning
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(o) 202-442-7600
(f) (202) 741-5246
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3. PROPOSAL REQUIREMENTS

DMPED will not consider any proposal that is not "Responsive" within the meaning of this RFP (as provided in this Section).

A Responsive proposal must contain the following components:

3.1. Format

All proposals must meet the following format requirements:

- 3.1.1. Proposals shall be prepared on standard 8½" x 11" letter-size paper, bound length-wise, with tabs to separate sections;
- 3.1.2. Proposals must respond to each RFP item in the order outlined in the RFP. Each item must be marked by tabs to indicate the section number;
- 3.1.3. Proposals must not exceed twenty-five (25) pages excluding appendices;
- 3.1.4. Ten (10) copies of each proposal must be delivered to DMPED to the attention of the authorized representative listed in Section 6.3; and
- 3.1.5. Proposals must include a Solicitation Response Deposit ("Deposit") in the amount of Twenty Five Thousand Dollars (\$25,000). All Deposit requirements are listed in Section 3.10.

3.2. Executive Summary

Offerors shall include a brief executive summary that highlights the Offeror's proposal for the Site. While the executive summary will not be a formal evaluation factor, DMPED will use it as part of an integrated assessment of the Offeror's qualifications. In the executive summary, Offerors should:

- 3.2.1. Articulate their vision for redevelopment of the Site;
- 3.2.2. Discuss how the proposed Project will benefit the surrounding neighborhood and the District (e.g., by highlighting the ways in which the Project will create social, economic and other synergies); and
- 3.2.3. Describe how the proposed Project fits within the existing neighborhood fabric and complements existing uses above ground.
- 3.2.4. Describe how the proposed Project will be financed including available financing as well as any gaps in financing structure.

3.3. Offeror Team

3.3.1. Offerors shall identify the following key development team members:

- i. Development firm or joint venture partners, including the identification of the decision making partner for the Offeror and, if different, the day-to-day lead individual;
- ii. Name, address, telephone number, e-mail address, and fax number of the representative authorized to act on behalf of Offerors, who will be available to respond to questions or requests for additional information;
- iii. Capital sources (proposed construction and permanent lenders, major investors, and other key consultants, if any, related to the financing plan);
- iv. Design team; and
- v. Other relevant team members may be identified.

3.3.2. Offerors shall provide the status of their organization (whether a corporation, a non-profit or charitable institution, a partnership, a limited liability corporation, a business association, joint venture, or other) indicating under which laws it is organized and operating, including a brief history of the organization and its principals. For any entity required to file reports in the jurisdiction of its formation, include a certificate of good standing for such jurisdiction and a certificate of good standing showing that it is authorized to do business in the District;

3.3.3. Offerors shall provide a copy of any written agreements or documents evidencing the creation of an Offeror; however, it is not necessary to have a project-specific entity formed in advance of submitting a proposal. The Offerors shall also provide copies of any applicable entity governance documents (such as operating or partnership agreements) for all relevant Offeror entities. The principals, partners, or joint-venture partners who are part of Offerors' teams must be eligible to transact business with the District and in the District;

3.3.4. Offerors shall provide a statement regarding any debarments, suspensions, bankruptcy, or loan defaults on real estate development projects, retail operations, leases and/or government contracts of Offerors;

3.3.5. Offerors shall provide satisfactory evidence, as determined in the District's sole discretion, with respect to Offerors and their team members, that all tax liabilities and other government impositions are current; and

3.3.6. Offerors shall provide satisfactory evidence, as determined in the District's sole discretion, that there is no ongoing litigation in which the District is a party that relates to any team member or to any other entity or individual having a controlling interest in the entity (or entities) that comprise Offerors (or, if such litigation exists, the name and civil action number of such litigation and a description of the subject matter of such litigation).

3.4. Team Members

For each team member, Offerors shall identify:

3.4.1. Name, address, telephone number, e-mail address, and fax number of each team member, including the identity of each principal, partner, or entity that composes such team member, and such team member's roles or titles within the entity comprising Offerors;

3.4.2. Any affiliation or other relationship between any of the team members and any development company, parent company, or subsidiary;

3.4.3. Any personal or professional relationship among or between any team members and any person working for, appointed to a position in, or elected to an office of the District or any entity for which there may be a conflict of interest or the appearance of a conflict. The District, in its sole discretion, reserves the right to determine a conflict of interest or the appearance thereof;

3.4.4. Any debarments, suspensions, bankruptcy, or loan defaults on real estate development projects, retail operations, leases and/or government contracts of any team member;

3.4.5. Satisfactory evidence, as determined in the District's sole discretion, with respect to team members, that all tax liabilities and other government impositions are current;

3.4.6. Satisfactory evidence, as determined in the District's sole discretion, that there is no ongoing litigation in which the District is a party that relates to any team member or to any other entity or individual having a controlling interest in the team member (or, if such litigation exists, the name and civil action number of such litigation and a description of the subject matter of such litigation); and

3.4.7. The names of any member, employee, or agent of the team member who, within three (3) years prior to the publication of this RFP, were District employees, consultants, or contractors to the District.

3.5. Qualifications and Experience

Offerors shall identify:

3.5.1. Two (2) to four (4) relevant urban infill development projects similar in nature and scale to Offerors' proposed Project (recognizing the relatively unique nature of the Project's location and physical arrangement), and with which Offerors or their key personnel have had primary involvement and successful project completion. For each relevant project, Offerors shall identify the following:

- i. Development team name;
- ii. Project name/title;
- iii. Location/address of project;
- iv. Description of project, including use(s), total square footage, number of units (if applicable), and creative and sustainable concepts utilized;

- v. Team members' role/responsibilities for the project and structure of the development team (including joint venture description and/or documents, if applicable);
- vi. Period of performance;
- vii. Estimated total development costs at time of award or project commencement;
- viii. Actual total development costs, including all changes and exercised options;
- ix. Original projected completion date;
- x. Current projected or actual completion date;
- xi. The names and contact information for team members involved in the project along with a description of each party's role in the project;
- xii. Illustrative materials that will help the District evaluate the caliber, innovation and relevant experience of the development team; and
- xiii. References, including names, mailing addresses, e-mail addresses, telephone numbers, and a letter authorizing each reference to respond to inquiries regarding the design, financing, development, disposition, or management of prior projects.

3.5.2. Two (2) to four (4) projects with which Offerors or team members have had primary involvement with local, small and disadvantaged business enterprises ("LSDBEs") or minority joint ventures or partnerships, and/or LSDBE equity participation, including details of the levels of participation and deal structure;

3.5.3. An organizational chart showing key personnel who will be working on the Project, including a description of their roles and relevant experience; and

3.5.4. Such other information Offerors believe will assist the District in evaluating the capabilities of Offerors and any other team members who will be participating in the redevelopment.

3.6. Community Benefits

The District is committed to maximizing community benefits for its residents. In view of this commitment, Offerors must present:

3.6.1. Their overall concept and vision for the Site and how the vision will integrate with and enhance the surrounding neighborhood and how the Project will complement existing businesses;

3.6.2. An approach that ensures the meaningful involvement in the development process by stakeholders and members of the local community who might be affected by the Offeror's proposed development;

3.6.3. A detailed description of the post-award approach and strategies to working with the community and with stakeholders to ensure their meaningful involvement in the development process; and

3.6.4. A commitment and plan for maximizing Certified Business Enterprises ("CBE") participation in the project. Preference will be given to proposals that EXCEED the District's CBE participation goals.

3.7. Project Concept

Offerors shall describe, in detail:

- 3.7.1. Their overall concept and vision for the Site, and describe how the vision will integrate with and enhance the surrounding community that borders the Site and how the Project will complement existing businesses;
- 3.7.2. Development plans and conceptual design drawings that are sufficient in detail to be easily evaluated by the District (provided that no structural changes will be permitted to the Site);
- 3.7.3. Evidence of market demand for Offeror's proposed uses;
- 3.7.4. Offeror's property rights in other parcels, if any, that may be accretive to the Project; and
- 3.7.5. If applicable, a phasing plan that describes Offerors' strategy and timing for delivering various components of the Project.

3.8. Project Implementation

Offerors shall identify and describe the following:

- 3.8.1. Offeror's ability to mobilize and commence predevelopment activities immediately upon selection in order to meet the Schedule of Performance submitted by the Offeror (see 3.8.2);
- 3.8.2. Offeror is required to complete and submit with its proposal the Schedule of Performance, which stipulates completion dates for project milestones. The Schedule of Performance should be accompanied by a Microsoft Project-based "Project Schedule" that lists each step in the development process starting from proposal submission to Project completion;
- 3.8.3. Offeror's ability and plan to guarantee to the District that Offeror's milestones will be met;
- 3.8.4. Offeror's approach and strategy for working with the community and stakeholders to ensure their meaningful involvement in the development process; and
- 3.8.5. Financing strategy for the Project including available or committed funds. Please note any funding gaps and the intended approach with which to fill those gaps.
- 3.8.6. Letters of intent, if any, with potential space tenants for the Project.

3.9. Transaction Structures

- 3.9.1. Offerors must provide an Offer that incorporates development of the Site with a lease with either a lump sum lease payment at lease signing or per a negotiated payment schedule.
- 3.9.2. Offerors must indemnify the District against any and all development related contingencies that may impact the ultimate deal structure or benefits to the District (e.g., assumptions regarding demolition of existing improvements should be incorporated, explicitly detailed, and accounted for separately, as applicable, in Offerors' development proposals; and Offerors are expected to fund total development costs, including all construction and design costs, in connection with the demolition of any existing improvements). The Offeror shall fund any predevelopment infrastructure improvements (e.g. HVAC and electrical).

3.10. Deposit

The Offeror, with submission of its original proposal, shall submit the Deposit (per section 3.1.5) in the form of (i) an irrevocable letter of credit, in form acceptable to the District; or (ii) a good check made out to the District. The Deposit shall secure Offerors' bids in accordance with this RFP and will be held by the District until selection of a successful proposal is determined. If an Offeror's proposal is not selected, then the

Deposit shall be returned to the Offeror. If an Offeror's proposal is selected, then the letter of credit will be considered a non-refundable Deposit until the Lease Agreement ("Lease"), or other such transaction agreement is executed and Offeror has substantially completed its Site construction obligations under the Lease Agreements. Offerors shall provide performance and completion guaranties acceptable to the District.

3.11. Financial Capacity

The District seeks to evaluate Offerors' ability and willingness to invest sponsor equity and self-fund Project pre-development costs. Therefore, Offerors should include the following items:

3.11.1. A description of the financial capacity of Offerors and team members, in the form of annual reports, balance sheets, profit and loss statements, evidence of lines of credit and uncommitted discretionary sources of equity, and/or any other material financial statements; and

3.11.2. A description of the amount of sponsor equity committed to the acquisition and redevelopment of the Site.

3.12. Proposed Financing Strategy

Offerors should identify any potential funding gaps and provide detailed alternative sources of non-District public subsidies that could be used to fill said funding gaps. During the term of the Lease, Offerors shall be required to maintain cash reserves in amounts acceptable to the District. In determining economic feasibility, Offerors shall take into account all available non-District sources of financing (e.g., tax credits) or other private or Federal assistance that may benefit the project. Preference will be given to Offerors' proposals that can demonstrate available financing. Offerors should provide:

3.12.1. Offerors' proposed investment of equity into the Project and the timing of that equity commitment;

3.12.2. A proposed Project financing strategy, including a listing of all anticipated sources of construction and permanent financing (including interest rates; amortization type and period; ex-ante return on assets and equity, and internal rate of return; covenants; coverage ratios; and all other relevant information); and

3.12.3. Sufficient detail such that the District can determine the feasibility of the proposed financing plan, including

i. Detailed description of which, if any, federal or local government funding sources the Offeror intends to attract to the project.

ii. An estimate of proposed pre-development costs and statement of capacity to carry those costs, provisions for capital repayment, and how such costs will be factored into the financing of the project (e.g., accrued returns of or on capital, etc.);

iii. Satisfactory evidence of Offerors' ability to secure Project debt and equity, including commitment letters from prospective investors and/or donors; and

iv. A detailed and fully functional Microsoft Excel-based proforma submitted on a CD and inclusive of the following calculations:

a. Return on cost;

b. Return on equity (levered and unlevered);

- c. A detailed waterfall of profits to all capital accounts;
- d. Internal rates of return; and
- e. Any other Project-specific return metrics.

3.13. Stakeholder and Community Outreach

The District seeks to incorporate into the plans for the Project feedback from the surrounding neighborhood and community organizations including but not limited to the Advisory Neighborhood Commission 2B (ANC2B), DC Map, Dupont Citizen's Association and Historic Dupont Circle Main Streets. Various community members and groups as well as business groups have submitted criteria they would like to see incorporated into the Offerors' development plan. These criteria are displayed as an appendix to this RFP.

It is important to note that the District does not favor any specific use and includes these un-edited attachments as a reference for Offerors.

The District expects Offerors to consider and incorporate stakeholder and community preferences to the extent practical. As such, Offerors should provide their plans for community outreach and the integration of community preferences into their overall development plans.

4. TRANSACTION MINIMUM TERMS AND REQUIREMENTS

4.1. Parcel Ownership

The Site shall be leased in "as-is" condition, without warranty by the District as to physical condition of the land or any existing structures and without any other warranties of any kind. Structural changes to the Site will not be permitted under any circumstances.

4.2. Subsurface Conditions

Notwithstanding prior studies available for Offerors' review, the District makes no representations regarding the character or extent of subsurface conditions or the conditions and existence of utilities that may be encountered during the course of any construction or occupancy.

4.3. Pre-development and Development Costs

Offerors should draw independent conclusions concerning conditions that may affect the methods or cost of development. Offerors shall be responsible for all pre-development (including demolition of existing improvements and due diligence studies such as traffic, geotechnical, storm water management and other Site preparations) and applicable Project development costs. Offerors shall be solely responsible for all costs related to obtaining necessary permits, approvals, clearances, and licenses at the appropriate time, including, without limitation, zoning approvals and the clearances required under the Historic Landmark and Historic District Protection Act 1978. The District expects Offerors to proceed immediately with pre-development work upon selection, in order to meet the dates in the "Schedule of Performance".

4.4. Environmental Remediation

Offerors will be responsible at their sole cost and liability for any environmental remediation that may be associated with removal or disturbance of existing Site improvements or other Site preparation and shall indemnify District against any costs or

liabilities arising from such removal or disturbance and from Offeror's activities relating to the Project.

4.5. Local Small Disadvantaged Business Enterprise Participation and Certified Business Enterprise Utilization

The District is committed to ensuring significant participation and inclusion of CBEs – and, in particular, LSDBEs (LSDBE means a CBE that is an LBE, SBE, or DBE) – in the development, equity investment and contracting opportunities derived from the development or redevelopment of District-owned Sites. Prior to the execution of the Lease Agreement with the District, selected Offerors will be required to sign a Certified Business Enterprise Utilization and Participation Agreement (“CBE Agreement”) with the District Department of Small and Local Business Development (“DSLBD”) that outlines the specific equity and development participation and contracting requirements that the selected development team must achieve.

4.6. Equity & Development Participation General Principles

Prior to executing the CBE Agreement, Offerors must demonstrate to the District that they satisfy the following general principles related to equity and development participation:

4.6.1. *Minimum LSDBE Participation Requirements*

LSDBEs shall receive no less than twenty (20) percent in equity participation and no less than twenty (20) percent in development participation in the Project, in accordance with Section 2349a of the Small, Local and Disadvantaged Business Enterprise Development and Assistance Act, D.C. Official Code § 2-218.49a. LSDBE development partners shall have the same opportunity to participate in all development, project management, construction management, or other related fees as the Offerors. LSDBE equity partners shall not be required to contribute more than twenty (20) percent of the sponsor equity contributed to the project. Preference will be given to Offerors that EXCEED this minimum requirement.

4.6.2. *Pari Passu Returns for LSDBE Equity Partner(s)*

LSDBE equity partners shall receive a return on investment in the project that is pari passu with all other sources of sponsor equity.

4.6.3. *Preservation of LSDBE Financial Interest*

LSDBE partner(s)' equity interests shall not be diluted over the course of the project, including for failure to contribute additional capital.

4.6.4. *LSDBE Risk Commensurate with Equity Position*

No LSDBE firm shall be expected to bear financial or execution requirements that are disproportionate with said LSDBE firm's equity position in Offerors' team and/or Project.

4.6.5. *Management Control and Approval Rights*

LSDBE partner(s) should have management control and approval rights in line with their equity position(s), and certain major decisions should require consent of one or more LSDBE partners or require a supermajority vote which must include one or more LSDBE partners.

4.6.6. *Letter of Intent (to be included with Proposal)*

A legally binding Letter of Intent (“LOI”) or comparable legally binding agreement between master developer and the LSDBE partners that demonstrates that the LSDBE partners meet or exceed the 20% participation goal established

by DSLBD. The LSDBE partners must be certified by the DSLBD and documentation showing certification must be included in the offer. In addition, Offerors shall:

Identify the LSDBE partners;

State the percentage of equity and development participation of each LSDBE partner;

Describe the role and responsibilities for each LSDBE partner; and

Include anti-dilution provisions for the benefit of the LSDBE partners that will be applied at all stages of the project.

Offers that fail to contain a LOI or comparable legally binding agreement with LSDBE partners will be deemed “Non-Responsive” and will be withdrawn from the selection process.

4.6.7. Inclusion and Recognition

LSDBE partners should be involved and represented to third parties as active team members, including through joint naming, advertising, branding, negotiation of debt and institutional equity financing, selection of master planners and other critical vendors, etc.

4.7. CBE Contracting Utilization

4.7.1. Prior to executing the CBE Agreement, Offerors must commit to meet or exceed the requirement that thirty-five percent (35%) of the Project’s contracting and procurement activity be with CBEs as stipulated in D.C. Official Code § 2-218.46.

4.7.2. Prior to and as a condition of execution of a Lease, the Offeror will be required to sign a CBE Utilization and Participation Agreement with DSLBD that outlines the specific contracting requirements. Additional information may be found at <http://dslbd.dc.gov>.

4.8. First Source Hiring Agreement

If selected, the Offeror must enter into a First Source Hiring Agreement with the District’s Department of Employment Services prior to execution of a Lease Agreement, which requires that at least fifty-one percent (51%) of new jobs created by the Project be filled by District residents.

4.9. Green Buildings

Offerors must adhere to the District of Columbia’s Green Building Act of 2006, D.C. Official Code § 6-1451.01 *et seq.* (2007), as well as any LEED certification requirements for the construction, rehabilitation, or renovation of District public assets, as applicable.

4.10. Conflicts of Interest

In response to the RFP, Offerors must represent and warrant the following to the District:

4.10.1. The compensation to be requested, offered, paid or received in connection with this RFP has been developed and provided independently and without consultation, communication, or other interaction with any other competitor for the purpose of restricting competition related to this RFP or otherwise;

4.10.2. No person or entity employed by the District or otherwise involved in preparing this RFP on behalf of the District: (i) has provided any information to Offerors that was not also available to all entities responding to the RFP; (ii) is affiliated with or employed by Offerors or has any financial interest in Offerors; (iii) has provided any assistance to Offerors in responding to the RFP; or (iv) will benefit financially if Offerors are selected in response to the RFP; and

4.10.3. Offerors have not offered or given to any District officer or employee any gratuity or anything of value intended to obtain favorable treatment under the RFP or any other RFP, solicitation or other contract, and Offerors have not taken any action to induce any District officer or employee to violate the rules of ethics governing the District and its employees. Offerors have not and shall not offer, give, or agree to give anything of value either to the District or any of its employees, agents, job shoppers, consultants, managers, or other person or firm representing the District, or to a member of the immediate family (i.e., a spouse, child, parent, brother, or sister) of any of the foregoing. Any such conduct shall be deemed a violation of this RFP. As used herein, “anything of value” shall include but not be limited to any (a) favors, such as meals, entertainment, and transportation (other than that contemplated by this RFP, if any, or any other contract with the District) which might tend to obligate a District employee to Offeror, and (b) gift, gratuity, money, goods, equipment, services, lodging, discounts not available to the general public, offers or promises of employment, loans or the cancellation thereof, preferential treatment, or business opportunity. Such term shall not include work or services rendered pursuant to any other valid District contract.

4.11. On-going Reporting to District

Offerors shall report to the District directly and without undue delay any information concerning conduct which may involve: (a) corruption, criminal activity, conflict of interest, gross mismanagement or abuse of authority; or (b) any solicitation of money, goods, requests for future employment or benefit of thing of value, by or on behalf of any government employee, officer or public official, any Offeror’s employee, officer, agent, subcontractor, labor official, or other person for any purpose which may be related to the procurement of the RFP by Offerors, or which may affect performance in response to the RFP in any way.

5. Preferences

5.1. Preference will be given to Offerors with development plans that:

- a. Design development programs which stimulate pedestrian activity and which include vibrant streetscapes and neighborhood-serving retail or programs that contribute to a vital commercial area that complement existing neighborhood-serving retail;
- b. Design development programs with place-making appeal through creative uses such as arts, cultural, green and entertainment that engage the community, attract visitors, and support the creative sectors.
- c. Provide opportunities for LSDBE partners and utilize CBEs that exceed the District requirements.
- d. Maximize the overall economic benefit to the District, including; 1) maximizing value to the District through land value proceeds (paid by Offeror to the District) and incremental property, possessory interest and sales taxes; and 2) maximizing community benefits and job creation and/or apprenticeship programs for District residents.

5.2. Preference will be given to Offerors that include in their proposals employment and business opportunities for local residents and business. Offerors are encouraged to:

5.2.1. Submit detailed apprenticeship programs that facilitate placing existing District residents into employment opportunities within the Project. The commitment and strategy to develop and implement a local apprenticeship program shall be in accordance with D.C. Official Code §§ 32-1401 et seq. For more information on the District's Department of Employment Services (DOES) apprenticeship program, please visit the website below or contact DOES Office of Apprenticeship Information and Training.

<http://www.does.dc.gov/does/cwp/view,a,1232,q,618747.asp>

5.2.2. Include District neighborhood-based business opportunities. Evidence of the inclusion of such businesses shall be in the form of written confirmation from such neighborhood-based businesses which shall include the scope and details of the said businesses' involvement in the Project.

5.2.3. Preference will be given to Offerors that include lead LSDBE consultants and/or third party contractors and long term resident businesses (as defined in D.C. Official Code §2-218.02 on the development teams and include copies of binding agreements between the developer and the LSDBE companies.

6. SELECTION PROCESS AND EVALUATION TEAM

6.1. Selection Process

6.1.1. The District will determine, in its sole discretion, whether each proposal received in response to the RFP is responsive and acceptable. The decision of the District in this regard is final and will be explained to Offerors upon request.

6.1.2. A Selection Panel will be established to review and evaluate and select one of the proposals. The composition of the Selection Panel will be determined by DMPED, in its sole discretion. DMPED and/or the Selection Panel may consult with professional consultants, advisors, and other stakeholders for technical assistance. DMPED and the Selection Panel will evaluate each proposal, taking into account the information requested in the RFP and the best interests of the District.

6.1.3. DMPED and/or the Selection Panel may request additional information from Offerors (or a short list of Offerors), including a request for best and final offers (BAFO), to clarify Offerors' offers or to aid DMPED and the Selection Panel in the review of the Offers. DMPED and/or the Selection Panel will include within the BAFO request a minimum term sheet, which Offerors are required to sign upon submission of BAFO.

6.1.4. Following receipt of additional information, if requested, DMPED or the Selection Panel will select, in its sole and absolute discretion, one or more Offerors to present to the Community.

6.1.5. Following Community presentations and receipt of additional information or meetings, if requested, DMPED and the Selection Panel will select, in its sole and absolute discretion, one proposal (two proposals if separate Offerors for the East and West sides of the Site), as modified or otherwise, to recommend to the Deputy Mayor, who, in her absolute discretion, may accept the Selection Panel's recommendation.

6.1.6. Upon recommendation by the Selection Panel, and if approved by the Deputy Mayor, the DMPED shall notify the selected Offeror or Offerors, if any.

6.1.7. If one or more Offerors are thereby chosen for commencement of negotiations, the selected Offerors may be requested by the District to proceed to negotiate a Lease. If

the District and selected Offerors are unable to execute a Lease within one hundred and twenty (120) days of the Selection Notification, the District, in its absolute and sole discretion, may terminate negotiations and select a different Offeror or Offerors who responded to the RFP; re-issue the RFP; or take such other measures as it deems reasonable, appropriate, or necessary.

6.2. Evaluation Criteria

DMPED and the Selection Panel will evaluate responses to the RFP for completeness, market feasibility, innovative ideas, strength of community benefits, and the strength of the financial proposal. The basis upon which Offerors will be measured includes, but is not limited to, the following:

6.2.1. Development Vision

Offerors should propose innovative, market-viable ideas for redevelopment of the Dupont Trolley Station. As such, Offerors are invited to propose development programs that include – as appropriate in terms of market viability and neighborhood context – commercial, retail, cultural/arts, green economy, and/or recreational uses. DMPED encourages Offerors to consider, in their vision, the District’s goals with respect to promoting vibrant and walkable mixed uses and commercial corridors.

6.2.2. Qualifications and Experience of Offerors

The District will more highly rate Offerors who:

- i. Demonstrate, through entity experience and expertise of proposed key personnel, that they are qualified to execute the proposed development plan;
- ii. Have successfully served in master developer roles for completed projects of a similar scale and scope to that Project proposed by Offerors; and
- iii. Provide evidence of sufficient organizational and financial capability to ensure successful and timely delivery of the Project.

6.2.3. Project Financial Feasibility and Development Team Financial Capacity

The District will more highly rate Offerors who:

- i. Demonstrate that they possess the financial resources to execute the Project requirements;
- ii. Display a willingness to provide the District with fair consideration for its real property assets; and
- iii. Exhibit a willingness to provide the District with a meaningful guarantee regarding payment and performance through final Project completion.

6.2.4. Attainment of District Policy Goals

The District will more highly rate Offerors who maximize achievement of the following District policy goals:

- i. LSDBE and CBE participation;
- ii. Promote vibrancy of commercial corridors and complement existing businesses in the Dupont Circle neighborhood;
- iii. Improve quality of life for the surrounding community;
- iv. Incorporate environmental sustainability best practices;
- v. Maximize economic and social value to the District; and
- vi. Take into account preferences of local community and business groups and stakeholders.

6.3. Timeline

The District will endeavor to follow the timetable set forth below (all days are calendar days unless otherwise noted); however, the activities and timetable represented below are a guideline only and are subject to change in the District's sole discretion and without prior notice:

SELECTION PROCESS TIMETABLE (SUBJECT TO CHANGE)	
Issuance of RFP	March 31, 2010
Pre-Offer Conference and Site Tour	April 15, 2010 (tentative)
Proposal Due Date (by 3:00 PM EST)	June 3, 2010
Offeror Interviews	Will be posted on website
Select Offerors for Short-List (if necessary)	Will be posted on website
Request for Best and Final Offers (if necessary)	Will be posted on website
Offeror Presentations to Community	Will be posted on website
Selection of Offerors	Summer 2010

Please check the DMPED website (<http://dcbiz.dc.gov>) periodically as any updates to the schedule will be posted.

Each Offeror is required to deliver ten (10) printed copies and a CD containing the offer and supplemental materials to the DMPED authorized representative identified below:

Neil Goradia
Office of the Deputy Mayor for
Planning and Economic Development
The John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 317
Washington, D.C. 20004
neil.goradia@dc.gov

6.4. Pre-Offer Conference and Site Tour Schedule

A Pre-Offer Conference and Site Tour is tentatively scheduled for April 15, 2010. Details regarding location and timing and any updates will be posted on the DMPED website (<http://dcbiz.dc.gov>).

6.5. Questions

Any questions regarding this RFP should be submitted via e-mail only to neil.goradia@dc.gov. Offerors shall not direct questions to any other person within the District except as allowed elsewhere in this RFP. Responses to Offeror questions will be aggregated and posted on the DMPED website, (<http://dcbiz.dc.gov>). The District expects to post responses in a timely manner.

6.6. Post-Selection

6.6.1. Following receipt of notification from the District of the selection ("Selection Notification"), the selected Offeror or Offerors shall execute a right of entry agreement with the District to allow the selected Offeror to begin due diligence and Site studies.

6.6.2. The District, through DMPED, and the selected Offeror or Offerors shall negotiate a disposition agreement which shall incorporate the requirements contained in this RFP, the minimum term sheet, and such other terms as may be required by DMPED or may be agreed to by the DMPED and the selected Offeror or Offerors. Upon

completion of the parties' negotiation, DMPED and the selected Offerors will execute the Lease.

6.6.3. If the District and the selected Offeror are unable to execute a Lease within one hundred and twenty (120) days after the date of the Selection Notification, DMPED, in its sole and absolute discretion, may terminate negotiations and select a different Offeror or Offerors from among the Offerors who submitted offers to the RFP, or re-issue this RFP or take such other measures as it deems reasonable or appropriate.

7. RESERVATION OF RIGHTS AND MISCELLANEOUS PROVISIONS

7.1. The District reserves the right, in its sole discretion and as it may deem necessary, appropriate, or beneficial to the District with respect to the RFP, to:

- 7.1.1. Cancel, withdraw or modify the RFP prior to or after the Offer deadline;
- 7.1.2. Modify or issue clarifications to the RFP prior to the Offer deadline;
- 7.1.3. After review of one or more offers, the District may request submission of additional information from some or all Offerors;
- 7.1.4. The District may request one or more Offerors to modify its Offer(s), provide additional information, or provide a "Best and Final Offer" for the District's review;
- 7.1.5. Enter into negotiations with one or more Offerors based on Offers submitted in response to the RFP;
- 7.1.6. Reject any proposals it deems incomplete or unresponsive to the RFP requirements;
- 7.1.7. Consider one or more Offers that are noncompliant with the RFP requirements;
- 7.1.8. Reject all Offers that are submitted under the RFP;
- 7.1.9. Modify the deadline for Offers or other actions; and
- 7.1.10. Reissue (i) the original RFP, (ii) a modified RFP, or (iii) a new RFP, whether or not any Offers have been received in response to the initial RFP issuance.

7.2. Notice of Modifications

The District will post on its website (<http://dcbiz.dc.gov>) any notices or information regarding cancellations, withdrawals, modifications to deadlines, and other modifications to this RFP. Offerors shall have an obligation to check the website for any such notices and information, and the District shall have no duty to provide direct notice to Offerors.

7.3. Change in Offerors' Information

If after Offerors have provided Offers to the District, information provided in a proposal changes (e.g., deletion or modification to any of Offerors' team members or new financial information), Offerors must notify the District in writing and provide updated information in the same format for the appropriate section of the RFP. The District reserves the right to evaluate the modified proposal, eliminate Offerors from further consideration, or take other action as the District may deem appropriate. The District will require similar notification and approval rights of any change to Offerors' proposal or development team following award, if any.

7.4. Ownership and Use of Proposals

All Offers shall be the property of the District. The District may use any and all ideas in any Offer, whether the Offer is selected or rejected.

7.5. Restricted Communications

Upon release of this RFP and until final selection, Offerors shall not communicate with DMPED or District staff about the RFP or issues related to the RFP except as authorized in this RFP.

7.6. Selection Non-Binding

The selection by the District of an Offeror indicates only the District's intent to negotiate with the Offeror, and the selection does not constitute a commitment by the District to execute a final agreement or contract with the Offeror.

7.7. Confidentiality

Offers and all other information submitted in response to this RFP are subject to the District's Freedom of Information Act (D.C. Official Code § 2-531 et seq.) ("FOIA"), which generally mandates the disclosure of documents in the possession of the District upon the request of any person, unless the content of the document falls within a specific exemption category (e.g., trade secrets and commercial or financial information obtained from outside the government, to the extent that disclosure would result in substantial harm to the competitive position of the person from whom the information was obtained).

If Offerors provide information that they believe is exempt from mandatory disclosure under FOIA ("exempt information"), Offerors shall include the following legend on the title page of the proposal:

THIS PROPOSAL CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT'S FREEDOM OF INFORMATION ACT

In addition, on each page that contains information that Offerors believe is exempt from mandatory disclosure under FOIA, Offerors shall include the following separate legend:

THIS PAGE CONTAINS INFORMATION THAT IS EXEMPT FROM MANDATORY DISCLOSURE UNDER THE DISTRICT'S FREEDOM OF INFORMATION ACT

On each such page, Offerors shall also specify the exempt information and shall state the exemption category within which it is believed the information falls.

Although DMPED will generally endeavor not to disclose information designated by Offerors as exempt information, DMPED will independently determine whether the information designated by Offerors is exempt from mandatory disclosure. Moreover, exempt information may be disclosed by DMPED, at its discretion, unless otherwise prohibited by law, and the District shall have no liability related to such disclosure.

7.8. Non-Liability

By participating in the RFP process, Offerors agrees to hold the District, its officers, employees, agents, representatives, and consultants harmless from all claims, liabilities, and costs related to all aspects of this RFP.

7.9. District Reserved Rights

The District reserves the following rights, with respect to negotiations:

The District has the right to begin negotiations with the next preferred Offeror in the event that a development agreement cannot be executed within the allotted period of negotiations with a prior selected Offeror. The District may terminate, in its sole and absolute discretion, negotiations with any Offerors if such Offerors introduce comments or changes to a development agreement that are inconsistent with its previously submitted offer materials.

In the event of best and final negotiations between the Offerors, the District reserves the right, in its sole discretion, to make and memorialize modifications to any Offer in the form of a Memorandum of Understanding between the District and Offerors.

7.10. Other Limiting Conditions

7.10.1. If at any time after the District selects a specific Offeror and executes a Disposition Agreement with the Offeror, and the Offeror does not proceed with the Project, then the Offeror must notify the District in writing and provide reasons for its decision. The Selected Offeror wishing to withdraw may be subject to the loss of part or all of the performance deposit and may be responsible for certain costs previously waived by the District, in addition to any other remedies available to the District under the disposition agreement, or by law. If the District is unable to deliver the Site, all deposits and any interest earned will be returned to the Offeror and the District shall be released from any and all further liability.

7.10.2. Projects are expected to “stand alone”, in that Offerors are prohibited from cross collateralizing and cross defaulting a Project with any other assets. Moreover, Offerors are prohibited from assigning, pledging, hypothecating, or otherwise transferring their interest in the net cash flows or ownership of the Project in part, or in whole, without prior District approval. Any additional debt shall require prior written District approval. This limitation shall apply until final completion of the Project.

7.10.3. Offerors shall disclose all development management fees, general contracting fees, construction management fees, property management fees, and other fees that are paid to Offerors or affiliated parties during the life of the Project. Failure to do so may result in the District terminating, in its sole and absolute discretion, negotiations with an Offeror.

7.10.4. The District is subject to various laws, rules, policies and agreements that impose legal and ethical constraints upon current and former District employees and consultants with regard to post-employment restrictions vis-a-vis such employee’s or consultant’s involvement in District-led projects. In particular, restrictions include but are not limited to the following guidelines:

- i. All Offerors, its members, agents, or employees, are prohibited from: (i) making offers of employment, (ii) conducting any negotiations for employment, (iii) employing or, (iv) entering into contracts of any sort, with current employees, consultants, or contractors to the District who are personally and substantially involved in any aspect of this RFP;
- ii. Offerors must disclose in their initial proposals the names of any member, employee, or agent who within three (3) years prior to the publication of this RFP were District employees, consultants, or contractors to the District. On a continuing basis, Offerors will be required to provide the District with regular and periodic notices of any and all new hires of employees, contracted agents, or consultants within five (5) days of any such hire;

iii. This Section 6.10 shall apply to all Offerors during the conduct of this competition, and will subsequently apply to the selected Offeror until such time as final completion of development of the Project;

iv. Required disclosures and notices notwithstanding, failure to comply with any obligation described in this Section 7.10 may result, in the District's sole and absolute discretion, in Offerors' disqualification from consideration under this RFP, the rescission of an Offeror's award, and/or termination of any agreement between an Offeror and the District.